



Winning Ways



NEWSLETTER FOR MARYLAND COMMUNITY LEADERS

Monthly Lottery Sales Set Record

Even without big jackpot, December sales reach highest level in history

Ending 2006 on a high note, the Maryland Lottery closed the year setting a new monthly record for sales. During December, sales reached \$141,259,958 – the highest level for any month in the Lottery's 33-year history.

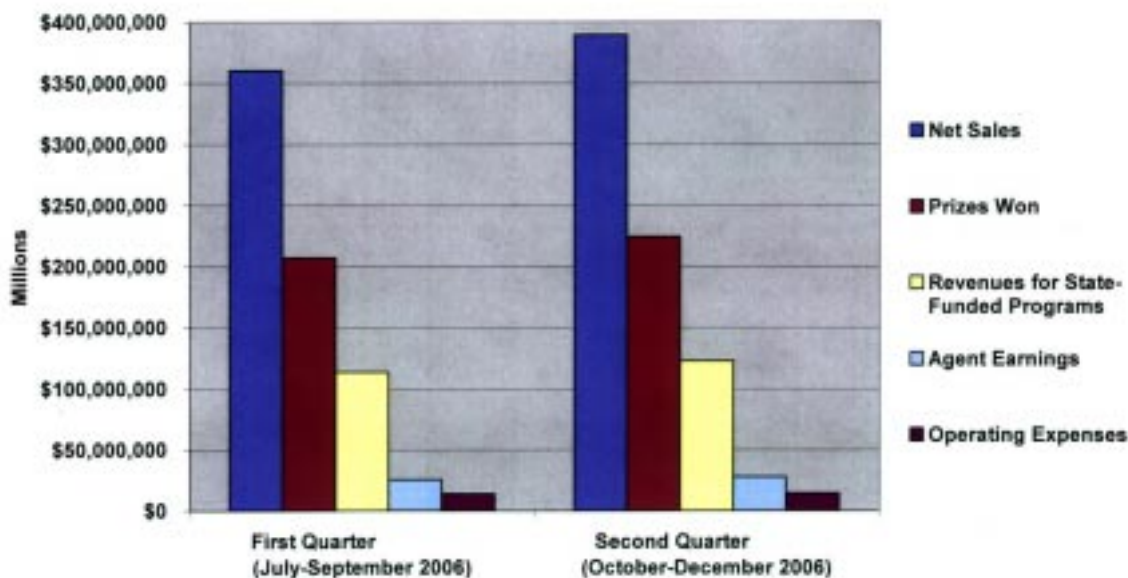
Top sales-producing months are most common when prize levels for jackpot games such as Mega Millions reach peak amounts. December's record, however, was achieved without a major jackpot in play.

Lottery officials attribute December's unprecedented sales to a variety of factors, most notably a commitment to consistently delivering new products and creative prizes to players. "We've had a successful and eventful year," said Lottery Director Buddy Roogow. "I'm thrilled that we broke yet another sales record and look forward to introducing a series of new concepts in 2007 to continue our growth for Maryland."

Contributing to December's jump in sales was the launch of holiday scratch-off games, which featured the Lottery's second scratch 'n sniff ticket. Throughout the year, the Lottery also introduced several initiatives, including: Multi-Match, a new Lotto-style game that offers players more prizes and chances to win; a more advanced communications system; Racetrax®, a new monitor-style game; and Countdown to Millions, the Lottery's first raffle-style game.

Fiscal Year Update

In December, the Lottery completed its first half of Fiscal Year 2007, producing more than \$750 million in sales and contributing more than \$236 million to the State.



Lottery Drawings Debut on WBAL-TV

Drawings offer fresh look and local media personalities

The Lottery's daily drawings have moved from WJZ-TV, Channel 13, to local NBC-affiliate WBAL-TV, Channel 11. The first drawing on WBAL-TV took place on January 29th. Along with a new station, viewers were exposed to several changes, including a new set design and hosts that include well-known television and radio personalities.



Lottery officials and hosts, including local radio and TV personalities, pose for a photo after the evening drawing at WBAL-TV.

The station switchover was the result of a competitive request for proposal process whereby WBAL-TV was awarded the contract. "WBAL-TV's proposal delivers the best value to the State of Maryland," said Lottery Director Buddy Roogow. "Under the new contract, we expect to gain exposure for our drawings and, in turn, increase sales for the State."

With the new deal, WBAL-TV will integrate radio into the drawing process – an approach that is new to Maryland. WBAL-AM and 98 Rock, which are also owned by the television station's parent company Hearst-Argyle, will participate in drawings, yielding more exposure for the Lottery.

WJZ-TV served as the Lottery's televised drawings partner for the past 12 years. "We are very fortunate to have had such a wonderful and long-standing relationship with WJZ-TV," said Roogow. "We deeply appreciate the service WJZ has provided the Lottery and value the growth we have experienced as a result of our partnership."

Daily drawing times on WBAL-TV continue to occur at approximately the same time. In addition, Sunday Midday drawings will be televised, and Saturday Midday drawings will now take place off-air.

Keno Promotions and Happy Hours Increase Sales, Player Odds

The Maryland Lottery's nine-week Keno Sprinkler promotion kicked off November 6th and ran through January 7th. During the promotion, players could receive random tickets with opportunities to double or even triple their winnings. As a result of the promotion, Keno sales were up 20% or \$12 million over typical Keno sales.

Complementing the Sprinkler was the Lottery's unveiling of its Keno Happy Hour promotion. During Happy Hours, players had even better odds of receiving a doubler or tripler ticket. The promotion contributed to the monitor game's ongoing sales success.



The successful Keno Doublor Tripler Sprinkler promotion ran from November 6th through January 7th.

New Lottery Satellite System Offers More Choices, Conveniences

System allows Lottery to launch more sophisticated games

The Lottery's state-of-the-art communications system is up and running and has already brought about new opportunities. As a result of the system, players are seeing innovative games and promotions, retailers are operating more efficiently, and revenue contributions to the State continue to climb.

"With the technological advancements offered by this system, we can extend players and Lottery retailers more opportunities and conveniences," said Gina Smith, Assistant Director and CFO for the Maryland Lottery. "The system has also already begun to open the door in terms of increasing, even further, our sales and revenue contributions to Maryland."

As a result of the technological upgrade, which was designed to allow the Lottery to introduce more advanced concepts while communicating news and information more efficiently, the Lottery has already introduced new initiatives, including: Racetrax®, a monitor-style game; Catch the Poodles, an instant-win promotion linked to all of the Lottery's online games, and Let It Snow, another instant-win promotion.

In addition to relaying product updates to retailers electronically, the system also allows for quick electronic distribution of Amber Alert messages to Lottery retail locations across the State.



Instant-win promotions like Let It Snow (Left), and Catch the Poodles (Right), are advanced concepts.

Racetrax® Exceeds \$1 Million in Weekly Sales

New monitor-style game offers players virtual horse-racing experience



Players gathered to get a glimpse of Racetrax® when the game debuted at the 2006 Maryland State Fair.

The Maryland Lottery's new monitor-style game, Racetrax®, has exceeded expectations by generating weekly sales of more than \$1 million for two consecutive weeks in December. "Racetrax® continues to outperform our initial sales goals," said Tracey Cohen, the Lottery's Director of Product Development and Advertising. "While we expected the game to be popular, to hit \$1 million in sales for two consecutive weeks – when the game is still this new – is remarkable."

The product launch was a result of research that concluded lottery players are looking for additional virtual games that can be enjoyed in a social setting. Maryland is the first state in the country to launch this game.

Like Keno, Racetrax® is a monitor-style game. It features simulated horse races with 3-D graphic animation that makes the horses and races incredibly lifelike. The game was first introduced at the Maryland State Fair and is now available at more than 750 Lottery retail locations.

Given the popularity and positive fiscal impact of Racetrax®, the Lottery is currently looking into additional monitor-style games to be introduced in the future.

Tailgate Patrol Puts Lottery, Ravens in the Spotlight

Lottery becomes regular fixture at Ravens home games

Increasing revenue contributions to the State through game appeal and product and benefit awareness continues to be at the core of Lottery marketing strategies. The Maryland Lottery and 98 Rock/WBAL joined forces this fall to bring Ravens fans the well-known Tailgate Patrol. The partnership gave the Lottery valuable on-site involvement at games as well as on-air exposure through a series of live radio interviews.

With a highly recognizable presence at M&T Bank Stadium, the Tailgate Patrol was on-site at Raven's home games in search of the best tailgate party. Winners were chosen based on spirit, originality, and personality and received \$200 worth of scratch-off tickets, a winner's banner, and a variety of Ravens merchandise. Winning tailgaters were also interviewed on-air by 98 Rock personality Amelia.



The Tailgate Patrol awards a Lottery Prize Pack to the best tailgate party before a recent home game at Ravens Stadium.

First Raffle-Style Game Scores Big with Players

Countdown to Millions produces four new Maryland millionaires



Buddy Roogow congratulates Baltimore County resident Kristen Fink, who won \$1 Million playing Countdown To Millions.

Offering the Lottery's best odds ever to win \$1 million, the Maryland Lottery recently tested the waters for its first-ever multi-million dollar raffle-style game, Countdown to Millions.

The new game offered a limited number of \$20 tickets, which went on sale November 20th. By New Year's Day, the day of the drawing, more than 325,000 tickets had been sold. The game featured four \$1 million top prizes, eight \$50,000 prizes, and 800 prizes ranging from \$500 to \$1,000. All of the \$1 million and \$50,000 prizes have been claimed. As a result of this game, Charisse Parsons of Calvert County, Brian and Mary Lee from Washington County, Valorie and Tom Kordonski from Carroll County, and Kristen Fink from Baltimore County all started the New Year as the Lottery's latest millionaires.

"We were pleased with the results of this new game," said Tracey Cohen, Director of Product Development and Advertising for the Lottery. "Even without advertising support until well after the game's launch, Countdown proved to be very successful. If we offer this type of game in the future, we feel it will do even better."